

**REMARKS**

Claims 1-72 remain pending in this application. Claims 1, 11, 19, 30, 41, 53, 60, 61, and 70 are independent. Claims 2-4, 12-14, 20-25, 31-36, 38-39, 42-47, 54, 57, 61, and 66-69 have been amended merely as to form, claim 19 has been amended for clarity, and no claims have been added or canceled by this Amendment.

No new matter is involved with any claim amendment, the amendments are merely to place the claims in better form by eliminating the phrase "step of" in connection with various method claims.

**Amendment to the Specification**

The specification has been amended to clarify that a claim for ***benefit*** under 35 USC 119(e) as been made to Provisional Patent Application 60/415,764, and not a claim for ***priority***. No new matter is involved with this amendment.

**Provisional Obviousness-Type Double Patenting Rejection**

Withdrawal of the provisional rejection of claims 1-72 under the judicially-created doctrine of obviousness-type double patenting over claims 1-10 of commonly owned US Patent application 11/236,863 and claims 1-10 of commonly owned US Patent application 11/498,269 is requested. Claims 1-10 of application 11/498,269 have been canceled, thus rendering the rejection moot with respect to the '269 application.

***Clarification of the Statement of the Rejection is Requested***

It appears that there may be a typographical error in the statement of the provisional rejection at the top of page 3 of the office action, where the Examiner states that the rejection is a provisional ***statutory*** obviousness-type double patenting rejection, and a further inconsistency at the bottom of page 2 of the office action, where the Examiner invokes 35 U.S.C. §101 (statutory double patenting) as providing the basis for the non-statutory, judicially-created rejection.

Based upon the Examiner's detailed comments following the statement of the rejection, Applicants interpret the rejection to be a provisional judicially-created obviousness-type double patenting rejection, and not a statutory double patenting rejection under 35 U.S.C. §101.

If a Notice of Allowability is not forthcoming in response to this Amendment, confirmation and/or clarification of the basis for rejection is requested in the next office action.

***Discussion of the Obviousness-Type Double Patenting Rejection***

An obviousness-type double patenting rejection rests on the prohibition against issuance of a second patent that would continue protection beyond the expiration date of the reference patent of a mere variation of the first-patented invention that would have been obvious to those of ordinary skill in the relevant art. Such a rejection must include clear evidence to establish why an alleged variation of an invention claimed in a prior patent would have been obvious.

The Examiner stated that claims 1-72 of the present application are provisionally rejected over claims 1-10 of Applicants' own U.S. Patent applications 11/236,863 and 11/498,269 to Spiegel et. al., all commonly owned by The Bank of New York. These applications will be discussed separately, below.

**US 11/236,863**

While currently pending claims 1-10 of the present application may arguably fall under the ambit of an obviousness type double patenting rejection over claims 1-10 of co-pending Appl. Ser. No. 11/236,863, applicant submits that at least pending claims 11-72 of the pending application are patentably distinct over claims 1-10 of application 11/236,863.

However, in the interests of expediting prosecution of this application, and without prejudice or disclaimer as to the propriety of the rejection, a Terminal Disclaimer is being submitted concurrently herewith to disclaim any patent term that might result from issuance of the present application that might extend beyond any patent term of commonly-owned and copending application 11/236,863.

Entry of the Terminal Disclaimer and withdrawal of the rejection are respectfully requested.

**US 11/498,269**

Claims 1-10 of copending and commonly owned application 11/498,269 were canceled, and new claims 11-49 were added by Preliminary Amendment filed on August 3, 2006.

Thus, the obviousness-type double patent rejection over claims 1-10 of application 11/498,269 has been rendered moot, and a Terminal Disclaimer is not required. Accordingly, withdrawal of the rejection is requested.

**Anticipation Rejection by Annunziata**

Withdrawal of the rejection of claims 1-6, 9-27, 29-36, 38-48, 50-57, 59-61, and 63-72 under 35 U.S.C. §102(e) as allegedly being anticipated by Annunziata (US 2001/0034688) is requested.

Applicants note that anticipation requires the disclosure, in a prior art reference, of each and every limitation as set forth in the claims.<sup>1</sup> There must be no difference between the claimed invention and reference disclosure for an anticipation rejection under 35 U.S.C. §102.<sup>2</sup> To properly anticipate a claim, the reference must teach every element of the claim.<sup>3</sup> “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference”.<sup>4</sup> “The identical invention must be shown in as complete detail as is contained in the ...claim.”<sup>5</sup> In determining anticipation, no claim limitation may be ignored.<sup>6</sup> In view of the foregoing authority, the cited reference fails to anticipate the previously-presented independent claims.

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<sup>1</sup> *Titanium Metals Corp. v. Banner*, 227 USPQ 773 (Fed. Cir. 1985).

<sup>2</sup> *Scripps Clinic and Research Foundation v. Genentech, Inc.*, 18 USPQ2d 1001 (Fed. Cir. 1991).

<sup>3</sup> See MPEP § 2131.

<sup>4</sup> *Verdegaal Bros. v. Union Oil Co. of Calif.*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

<sup>5</sup> *Richardson v. Suzuki Motor Co.*, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

<sup>6</sup> *Pac-Tex, Inc. v. Amerace Corp.*, 14 USPQ2d 187 (Fed. Cir. 1990).

### ***Specific Deficiencies of Annunziata***

Various aspects and claimed embodiments of Applicants' disclosure are directed to systems and methods for securitizing or Equitizing a commodity by creating commodity shares. In various embodiments, shares in a commodity trust are provided by a Trustee for a particular commodity. Commodity shares are backed by the Trustee's custody of the actual commodity. For example, commodity shares are created and issued when a trust participant deposits an amount of the commodity with the Trustee or a custodian acting on behalf of the trustee. After confirmation of the receipt of the commodity, an amount of commodity shares is issued by the Trustee, which is equal in value to the value of the commodity. The disclosed and claimed invention has applicability to various types of commodities including gold and other precious metals, for example.

Applicants have created a unique, cost-effective, and easy way to equitize a physical commodity. The commodity share price reflects the price of the commodity, less the expenses of the trust's operations. In paragraph [0009] of the Summary discussing one embodiment, for example, the shares in the trust may represent a proportional interest in the trust and/or the commodity held by the trust. Thus, different from conventional approaches, proportional interests in the commodity may be traded based upon the share price and how the shares were allocated to the underlying physical commodity.

Applicants' commodity shares can be traded on a major securities exchange such as the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), the National Association of Securities Dealers Automatic Quotation System (NASDAQ), or any other exchange or Electronic Communication Network (ECN), thereby creating a robust secondary market for the commodity shares.

In contrast, and with respect to the independent claims asserted as being anticipated by Annunziata, Applicants point out that Annunziata is directed to a computer-implemented system for ***transferring ownership of commodities via a communications link***, wherein a database is used that contains open bids and offers currently available for trading that have been submitted by other users of the system (see Annunziata at ¶ [0029]). Thus, Annunziata merely represents

conventional commodity trading implemented by a computerized system and method in which buyers and sellers of a number of units of a commodity at a unit price are matched.

Applicants point out that commodity trading is a relatively specialized activity, requiring access to particular markets, and adherence to unique rules and commodity trading units used in transactions in a variety of different markets. Applicants' approach greatly expands the ability for average investors to safely invest in commodities through commodity shares and/or commodity trusts.

Specifically, Annunziata does not disclose, teach, or suggest creating *commodity shares* representing an actual amount of a commodity, nor does Annunziata teach or suggest *receipt* of an amount of a commodity *associated with the commodity shares* that were created, or releasing *the requested commodity shares* based upon the amount of commodity delivered into the account, as variously claimed and as discussed further below. *Annunziata is completely silent on any mention of establishing commodity shares representing an amount of a commodity, a commodity trust, use of a trustee, or use of commodity trust shares* as claimed in various embodiments. Annunziata merely computerizes recording the conventional transfer of ownership of a commodity.

### **Independent Claim 1**

Annunziata does not disclose a method for creating shares in a commodity wherein the method includes, inter alia, "receiving a creation order comprising a request to create *commodity shares*; confirming delivery into an account of an amount of commodity *associated with the commodity shares* being requested; and *releasing the requested commodity shares based upon the amount of commodity delivered into the account*," as recited in previously-presented independent claim 1 (*emphasis* added).

For example, Annunziata merely transfers conventional ownership of a commodity via a computerized communications link, but does not create *shares* in a commodity or otherwise deal with commodity shares.

### **Independent Claim 11**

Further, Annunziata does not disclose, teach, or suggest a method for *creating shares in a commodity* wherein the method includes, *inter alia*, "maintaining an account designated for the creation of *commodity shares; receiving delivery into the account of an amount of the commodity; and sending a notice acknowledging receipt into the account of the amount of the commodity*," as recited in previously-presented independent claim 11 (*emphasis added*).

Again, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not create *shares* in a commodity or otherwise deal with shares.

### **Independent Claim 19**

Still further, Annunziata does not disclose, teach, or suggest a method *for creating shares in a commodity* wherein the method includes, *inter alia*, "maintaining an account designated for the creation of *commodity shares; receiving delivery into the account of an amount of the commodity; and sending a notice acknowledging receipt into the account of the amount of the commodity*," as recited in previously-presented independent claim 19 (*emphasis added*).

Similarly, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not create *shares* in a commodity.

### **Independent Claim 30**

In addition, Annunziata does not disclose, teach, or suggest a method *for redeeming shares* in a commodity, wherein the method includes, *inter alia*, "receiving a redemption order comprising a request to redeem an amount of *commodity shares* associated with an amount of the commodity held in an account; receiving the amount of the *commodity shares*; and releasing from the account the amount of the commodity *associated with the amount of the commodity shares received*," as recited in previously-presented independent claim 30 (*emphasis added*).

Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not redeem or otherwise deal with *shares* in a commodity, and

particularly does not release, from the account, the amount of the commodity *associated with the commodity shares* received.

#### **Independent Claim 41**

Still further, Annunziata does not disclose, teach, or suggest a method for *redeeming shares in a commodity*, wherein the method includes, *inter alia*, "maintaining an account designated for the redemption of *commodity shares*; *holding an amount of the commodity in the account associated with an amount of commodity shares to be redeemed*; receiving release instructions to release the amount of the commodity from the account; and *releasing the amount of the commodity from the account*," as recited in previously-presented independent claim 41 (*emphasis added*).

Similarly, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not hold an amount of the commodity in an account associated with an amount of commodity shares to be redeemed.

#### **Independent Claim 53**

Still further, Annunziata does not disclose, teach, or suggest a method for redeeming shares in a commodity, wherein the method includes, *inter alia*, "submitting a redemption order comprising a request to redeem an amount of *commodity shares*; *delivering the amount of commodity shares to be redeemed*; and *receiving an amount of the commodity associated with the amount of commodity shares delivered*," as recited in previously-presented independent claim 53 (*emphasis added*).

Again, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not hold an amount of the commodity in the account associated with an amount of commodity shares to be redeemed, nor does Annunziata release the amount of the commodity from the account.

### **Independent Claim 60**

Furthermore, Annunziata does not disclose, teach, or suggest a method for *redeeming shares in a commodity*, wherein the method includes, *inter alia*, "submitting a redemption order comprising a request to redeem an amount of *commodity shares*; delivering the amount of *commodity shares* to be redeemed; and *receiving an amount of cash from the sale of the amount of commodity associated with the amount of commodity shares delivered*," as recited in previously-presented independent claim 60 (*emphasis* added).

To reiterate, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not redeem or deliver *shares* in a commodity, nor does Annunziata receive cash from the sale of the commodity associated with the commodity shares.

### **Independent Claim 61**

Penultimately, Annunziata does not disclose, teach, or suggest a method for securitizing a commodity, wherein the method includes, *inter alia*, "*receiving a deposit of an amount of a commodity; holding said amount of a commodity in a trust; and issuing a number of shares corresponding to said amount of a commodity*," as recited in independent claim 61, as currently amended (*emphasis* added).

As previously discussed, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not involve or even mention the use of a trust or trust assets, particularly holding an amount of a commodity in a trust, and even more particularly, Annunziata does not disclose issuing *shares* corresponding to the amount of a commodity.

### **Independent Claim 70**

Finally, Annunziata does not disclose, teach, or suggest *a commodity trust system* that includes, *inter alia*, "*a commodity trust, wherein said commodity trust holds an amount of a commodity, a trustee to administer said commodity trust, and a number of shares*

*corresponding to said amount of a physical commodity,*" as recited in previously-presented independent claim 70, (*emphasis* added).

As previously discussed, Annunziata merely transfers conventional ownership of commodities via a computerized communications link, but does not involve or even mention the use of a trust, a trust system, trust assets, or a trustee to administer a commodity trust. Furthermore, Annunziata does not disclose holding an amount of a commodity in a trust, and even more particularly, Annunziata does not disclose issuing *shares* corresponding to the amount of a commodity.

Accordingly, since Annunziata does not teach or suggest all the claimed limitations, reconsideration and allowance of independent claims 1, 11, 19, 30, 41, 53, 60, 61, and 70 are respectfully requested. In addition, dependent claims 2-10, 12-18, 20-29, 31-40, 42-52, 54-59, 62-69, and 71-72 variously and ultimately depend from these patentable independent claims, and are submitted as being allowable at least on that basis, without further recourse to the patentable features recited therein.

### **Unpatentability Rejection over Annunziata in View of Turk**

Withdrawal of the rejection of claims 7-8, 28, 37, 49, 58, and 62 under 35 U.S.C. §103(a) as allegedly being unpatentable over Annunziata in view of Turk (US 5,671,364) is requested. The Examiner has failed to make a *prima facie* case of unpatentability. The deficiencies of Annunziata have been discussed above.

### ***Discussion of Turk***

The Examiner admits that Annunziata does not disclose, teach, or suggest the following: a method wherein the commodity delivered into the account is gold or gold receipts (claims 7, 28, 37, 49, and 58); a method wherein the value of the shares released is based on the net asset value of the received gold (claim 8); and a method wherein the commodity is gold or another precious metal (claim 62).

According to the Abstract, Turk is purportedly directed to a method and system for commodity-based currency for payment accounts elimination of payment risk in which gold or

other commodities are permitted to circulate as currency, and which requires a network of system users to participate in financial transactions where payment is made in units of gold. The gold is kept in secure storage at a deposit site for the benefit of the users. The payments in gold are effected to a computer system having data storage and transaction processing programs that credit or debit the units of account of gold held for the account of each system user.

Assuming, *arguendo*, that Turk discloses that for which it is offered by the Examiner, i.e., gold being used as the delivered commodity, Turk does not make up for previously-identified deficiencies of Annunziata with respect to the anticipation rejection of independent claims 1, 19, 30, 41, 53, and 61 from which claims 7-8, 28, 37, 49, 58, and 62 variously depend. Specifically, ***Turk does not disclose, teach, or suggest creation or use of commodity shares or commodity trust accounts with gold as the underlying commodity.***

Turk merely represents the conventional physical transfer of gold, with the added features that the gold is kept in a centralized secure storage for the benefit of the users, and for which a computer-implemented bookkeeping system is implemented.

Accordingly, withdrawal of the rejection and allowance of claims 7-8, 28, 37, 49, 58, and 62 are respectfully requested.

### **Conclusion**

All rejections having been addressed, Applicant submits that each of pending claims 1-72 in the present application is in immediate condition for allowance. An early indication of the same would be appreciated.

In the event the Examiner believes that an interview would be helpful in resolving any outstanding issues in this case, the Undersigned Attorney is available at the telephone number indicated below.

For any fees that are due, including fees for a Terminal Disclaimer and excess claims and/or extensions of time during the pendency of this application, please charge Deposit Account Number 03-3975 from which the Undersigned Attorney is authorized to draw. The

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Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

Date: July 16, 2008

Respectfully submitted,

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